



STATE OF ARKANSAS
**Department of Finance
and Administration**

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Memorandum

To: State Agencies, Boards and Commissions, Colleges and Universities

Attn: Chief Fiscal Officer, Vice President of Finance, Purchasing Agents, Agency Procurement Officials and Professional Consultant Services Contracting Staff

From: Joseph A. Giddis

Date: June 16, 2006

Subject: "On Call" Contracting

The Review Committee at their May and June meeting expressed concern over the contracting process used to contract for "on-call" architectural and engineering services. The PCS contracts routinely show contract amounts of \$250K, \$100K, \$110K, etc. being added, initially and each subsequent year, to the contract without apparent regard to historical expenditures for these services. Contract should reflect historical expenditures with an additional amount to cover contingencies. In many cases current contracts may just need to be extended for time without adding additional money, amended to decrease the amount of money to bring the contract in-line with expenditures or amended to add time and money for expected projects.

Please review your "on-call" contracts and initiate appropriate amendments to bring those contracts into line with historical expenditures.

Amendments to PCS contracts that increase the time of the contract, but do not add dollars and/or decrease the funds required are approved by the Department of Finance and Administration, Office of State Procurement. Contracts that increase the dollar amount and/or involve major changes in the objectives and scope of the contract must be reviewed by the Review Committee of the Legislative Council.

CC:
Co-Chairs, Review Committee
Richard Weiss
Tim Leathers
OSP PCS Staff